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Attorneys for Credit Suisse AG, Cayman Islands Branch
 (formerly known as "Credit Suisse, Cayman Islands Branch")

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re:

THE RHODES COMPANIES, LLC,
 aka "Rhodes Homes," et al.,

Debtors.¹

Case No. 09-14814-LBR
 (Jointly Administered)

Chapter 11

**LIMITED RESPONSE TO SECOND
 AMENDED MODIFIED PLAN OF
 REORGANIZATION PURSUANT TO
 CHAPTER 11 OF THE BANKRUPTCY
 CODE FOR THE RHODES COMPANIES,
 LLC, ET AL.**

Hearing Date: January 14, 2010

Hearing Time: 9:00 a.m.

Judge: Honorable Linda B. Riegle

¹ The Debtors in these cases, along with their case numbers are: Heritage Land Company, LLC (Case No. 09-14778); The Rhodes Companies, LLC (Case No. 09-14814); Tribes Holdings, LLC (Case No. 09-14817); Apache Framing, LLC (Case No. 09-14818); Geronimo Plumbing LLC (Case No. 09-14820); Gung-Ho Concrete LLC (Case No. 09-14822); Bravo, Inc. (Case No. 09-14825); Elkhorn Partners, a Nevada limited partnership (Case No. 09-14828); Six Feathers Holdings, LLC (Case No. 09-14833); Elkhorn Investments, Inc. (Case No. 09-14837); Jarupa, LLC (Case No. 09-14839); Rhodes Realty, Inc. (Case No. 09-14841); C&J Holdings, Inc. (Case No. 09-14843); Rhodes Ranch General Partnership (Case No. 09-14844); Rhodes Design and Development Corporation (Case No. 09-14846); Parcel 20, LLC (Case No. 09-14848); Tuscany Acquisitions IV, LLC (Case No. 09-14849); Tuscany Acquisitions III, LLC (Case No. 09-14850); Tuscany Acquisitions II, LLC (Case No. 09-14852); Tuscany Acquisitions, LLC (Case No. 09-14853); Rhodes Ranch Golf Country Club, LLC (Case No. 09-14854); Overflow, LP (Case No. 09-14856); Wallboard, LP (Case No. 09-14858); Jackknife, LP (Case No. 09-14860); Batcave, LP (Case No. 09-14861); Chalkline, LP (Case No. 09-14862); Glynda, LP (Case No. 09-14865); Tick, LP (Case No. 576680.04-Los Angeles Server 1A - MSW)

Affects:

- ☒ All Debtors
☐ The following Debtor(s)

Credit Suisse AG, Cayman Islands Branch ("Credit Suisse"), formerly known as "Credit Suisse, Cayman Islands Branch," as agent under the first lien Credit Agreement Dated as of November 21, 2005, among Heritage Land Company, LLC, The Rhodes Companies, LLC, and Rhodes Ranch General Partnership, as the Borrowers, the Lenders Listed [Th]erein, as the Lenders, and Credit Suisse, Cayman Islands Branch, as Administrative Agent, Collateral Agent, Syndication Agent, Sole Bookrunner and Sole Lead Arranger (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "First Lien Credit Agreement," and the lenders thereunder, the "First Lien Lenders"), files this limited response (the "Limited Response") to the Second Amended Modified Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code for The Rhodes Companies, LLC, et al. (the "Plan")² filed by a steering committee comprised of certain lenders under the First Lien Credit Agreement.

LIMITED RESPONSE

Credit Suisse supports confirmation of the Plan. Credit Suisse nonetheless submits this Limited Response because the Plan is silent as to the how distributions for unliquidated claims of First Lien Lenders are to be reserved.

Specifically, due to certain alleged claims that have or may be asserted against Credit Suisse, Credit Suisse has submitted an amended consolidated proof of claim (the "Amended POC") against the Debtors. By the Amended POC, Credit Suisse amends its claims to highlight the alleged claims noted above, for which the Debtors are obligated to indemnify Credit Suisse under the First Lien Credit Agreement (the "Indemnification Obligations").³ As noted above,

09-14866); Rhodes Arizona Properties, LLC (Case No. 09-14868); Rhodes Homes Arizona, LLC (Case No. 09-14882); Tuscany Golf Country Club (Case No. 09-14884); and Pinnacle Grading, LLC (Case No. 09-14887).

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Plan.

³ As set forth in the Amended POC, under section 9.2(B) of the First Lien Credit Agreement, the borrowers must indemnify, among others, "each Agent," their respective successors and assigns, and "each Related Party" of the foregoing for costs, losses, claims, damages, liabilities and expenses in connection with certain matters (collectively, the indemnification obligations in section 9.2(B) of the First Lien Credit Agreement and all indemnification obligations otherwise owed to Credit Suisse and parties related to Credit Suisse, the "Indemnification Obligations"). Among the matters covered by the Indemnification Obligations are the execution, delivery, enforcement or

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1 Credit Suisse does not object to confirmation of the Plan but requests that the order approving
 2 the Plan appropriately address the Indemnification Obligations.

3 Article VII.C.3 of the Plan provides for a reserve of Litigation Trust Interests for
 4 distribution to holders of claims that are allowed after the Effective Date of the Plan. The Plan
 5 does not appear, however, to provide an appropriate reserve of Litigation Trust Interests and
 6 other consideration to be paid to other First Lien Lenders under the Plan on account of the
 7 Indemnification Obligations. Given that the amounts of the Indemnification Obligations claims
 8 remain undetermined today, the Court should withhold distributions of New First Lien Notes,
 9 Newco Equity Interests, and Litigation Trust Interests on account of First Lien Lender claims or,
 10 in the alternative, establish a reserve on account of the Indemnification Obligations claims, such
 11 that Credit Suisse's claims relating to the Indemnification Obligations will share pro rata in the
 12 distributions of such consideration on account of other First Lien Lender claims.⁴

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26 administration of the First Lien Credit Agreement and other loan documents and the consummation of the
 27 transactions contemplated thereby, matters relating to the underlying loans, and any actual or prospective claim,
 28 litigation, investigation, or proceeding relating to any of the foregoing.

⁴ Credit Suisse is not requesting that any portion of the \$1.5 million in Cash to be distributed on account of First Lien Lender claims be reserved.

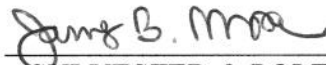
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CONCLUSION

For the foregoing reasons, Credit Suisse requests that the Court include in its order approving the Plan a reserve for the Indemnification Obligations claims to ensure that such claims share pro rata in the distributions to be provided under the Plan on account of other First Lien Lender claims.

DATED: January 5th, 2010

By:



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